
UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES – GENERAL

Case No.: SACV 15-980-JLS (JCx)

Date: February 5, 2016

Title: Securities and Exchange Commission v. Capital Cove Bancorp LLC et al.

Present: **Honorable JOSEPHINE L. STATON, UNITED STATES DISTRICT JUDGE**

Terry Guerrero
Deputy Clerk

N/A
Court Reporter

ATTORNEYS PRESENT FOR PLAINTIFF: ATTORNEYS PRESENT FOR DEFENDANT:

Not Present

Not Present

**PROCEEDINGS: (IN CHAMBERS) ORDER RE: CONSENT JUDGMENT AS
TO DEFENDANT CAPITAL COVE BANCORP LLC
(Doc. 184)**

On November 16, 2015, Plaintiff Securities and Exchange Commission filed a Stipulation for Judgment as to Executed Consent. (Consent Judgment, Doc. 184.) The court-appointed receiver, Robert Mosier, executed this proposed Consent Judgment on behalf of Defendant Capital Cove Bancorp LLC. (*Id.* ¶ 1.) Excluded from this Judgment is Defendant Christopher M. Lee, a.k.a. Rashid K. Khalfani. On December 15, 2015, the Court ordered the SEC to file supplemental briefing explaining (a) why the Court should order partial final judgment as to Defendant CCB under Federal Rule of Civil Procedure 54(b), or (b) whether the Court must wait until it adjudicates this matter as to Khalfani to issue one final judgment. (Order, Doc. 202.) The SEC filed its supplemental brief on December 23, 2015. (Suppl. Brief, Doc. 207.) In its brief, the SEC acknowledges that it asserts the same claims against CCB as against Khalfani and that in similar circumstances, courts have held it is the “better practice” under Rule 54(b) to issue one final judgment once the matter is fully resolved against all defendants. (*Id.* at 2.)

The Court notes that “[a] similarity of legal or factual issues will weigh heavily against entry of [partial] judgment under [Rule 54(b)].” *Morrison-Knudsen Co. v. Archer*, 655 F.2d 962, 965 (9th Cir. 1981). Given that the claims asserted against CCB and Khalfani appear to be “logically related, both from a factual and a legal standpoint,”

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id., the Court finds that the better practice under Rule 54(b) would be to issue one final judgment once the matter is fully resolved against both Defendants.

Accordingly, the Court DENIES the SEC's Stipulation for Judgment as to Executed Consent and instructs the SEC to file a renewed request when it resolves its claims against Khalfani.

Initials of Preparer: tg